DOCUMENT RESUME

ED 414 511 CE 075 501

TITLE	From Welfare to Work: A Briefing Paper on CalWORKs, California Work Opportunities and Responsibility for Kids.
INSTITUTION	California State Legislature, Sacramento. Senate Office of Research.
PUB DATE	1997-07-07
NOTE	34p.
AVAILABLE FROM	Senate Publications, 1020 N Street, Room B-53, Sacramento, CA 95814 (Senate Publication No. 916-S: $3.50).
PUB TYPE	Reports - Descriptive (141)
EDRS PRICE	EDRS Price MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS	Attitude Change; Day Care; Federal Legislation; *Job Development; Job Placement; *Job Training; Parent Attitudes; *Parent Responsibility; Program Development; Program Implementation; *State Programs; *Welfare Recipients; Work Attitudes; Work Ethic
IDENTIFIERS	*California; Personal Responsibility and Work Opp Recon Act; Temporary Assistance for Needy Families; Welfare Reform; *Welfare to Work Programs

ABSTRACT

This document explains the objectives and components of California Work Opportunities and Responsibility for Kids (CalWORKs), which is a seven-step program designed to move welfare parents into the workplace. Presented first are a list of the 14 principles behind CalWORKs and a flowchart illustrating the program's operation. After a discussion of the CalWORKs strategy to move California parents from welfare to work, the following CalWORKs steps are detailed: (1) moving employable welfare applicants into jobs to avoid welfare; (2) providing welfare-to-work services (including child care, transportation, and training in job search skills) to parents who cannot be diverted from welfare; (3) providing child care to welfare parents meeting the requirements for work-related activities; (4) creating 500,000 new jobs for welfare recipients; (5) providing CalWORKs recipients who move into jobs with services to keep them working; (6) finding community service work for recipients who remain unemployed after 2 years; and (7) terminating the recipients' benefits after 5 years. The remaining sections of the guide contain the following: overview of the CalWORKs job creation package; table detailing the job growth needed for welfare-to-work goals; and table explaining selected CalWORKs issues in relation to current and proposed law. (MN)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

CE

ED 414 511

FROM WELFARE TO WORK

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
☑ This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL IN MICROFICHE AND IN ELECTRONIC MEDIA FOR ERIC COLLECTION SUBSCRIBERS ONLY, HAS BEEN GRANTED BY
E McKean
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
2A

A Briefing Paper on CalWORKs, California Work Opportunities and Responsibility for Kids

BEST COPY AVAILABLE

C6075501

PREPARED FOR THE JOINT CONFERENCE COMMITTEE ON WELFARE REFORM

BY STAFF OF THE CALIFORNIA LEGISLATURE • JULY 7, 1997

From Welfare to Work

A Briefing Paper on CalWORKs--California Work Opportunities and Responsibility to Kids

Prepared at the Request of
the Joint Conference Committee on Welfare Reform

Co-Chairs:
Dion Aroner,
Chair, Assembly Human Services Committee

Denise Moreno Ducheny,
Chair, Assembly Budget Committee

Mike Thompson,
Chair, Senate Budget and Fiscal Review Committee

Diane E. Watson,
Chair, Senate Health and Human Services Committee

By Staff of the California Legislature
July 7, 1997

The Principles Behind CalWORKs

California Work Opportunities and Responsibility to Kids (CalWORKs) embodies these principles:

- **Reform the welfare system into a welfare-to-work system consistent with federal law;**
- **Make unsubsidized employment the goal for all welfare recipients;**
- **Prevent welfare for as many families as possible by providing up-front assistance to help families overcome a one-time financial crisis;**
- **Prevent welfare through assurance that families with child-support orders will receive those payments.**
- **Promote work -- from day one to the end of dependency on welfare -- and assure support and treatment services when necessary;**
- **Impose time limits on welfare;**
- **Penalize welfare recipients who fail to seek work;**
- **Help those who search for work without finding it by turning their grants into wages for community service jobs;**

- **Reward "self starters" by assuring education and training to welfare recipients who are pursuing careers that will give their families greater economic well-being;**

- **Protect against displacement of employed persons by welfare recipients;**

- **Simplify the administration of welfare to free more funds for work-related activities;**

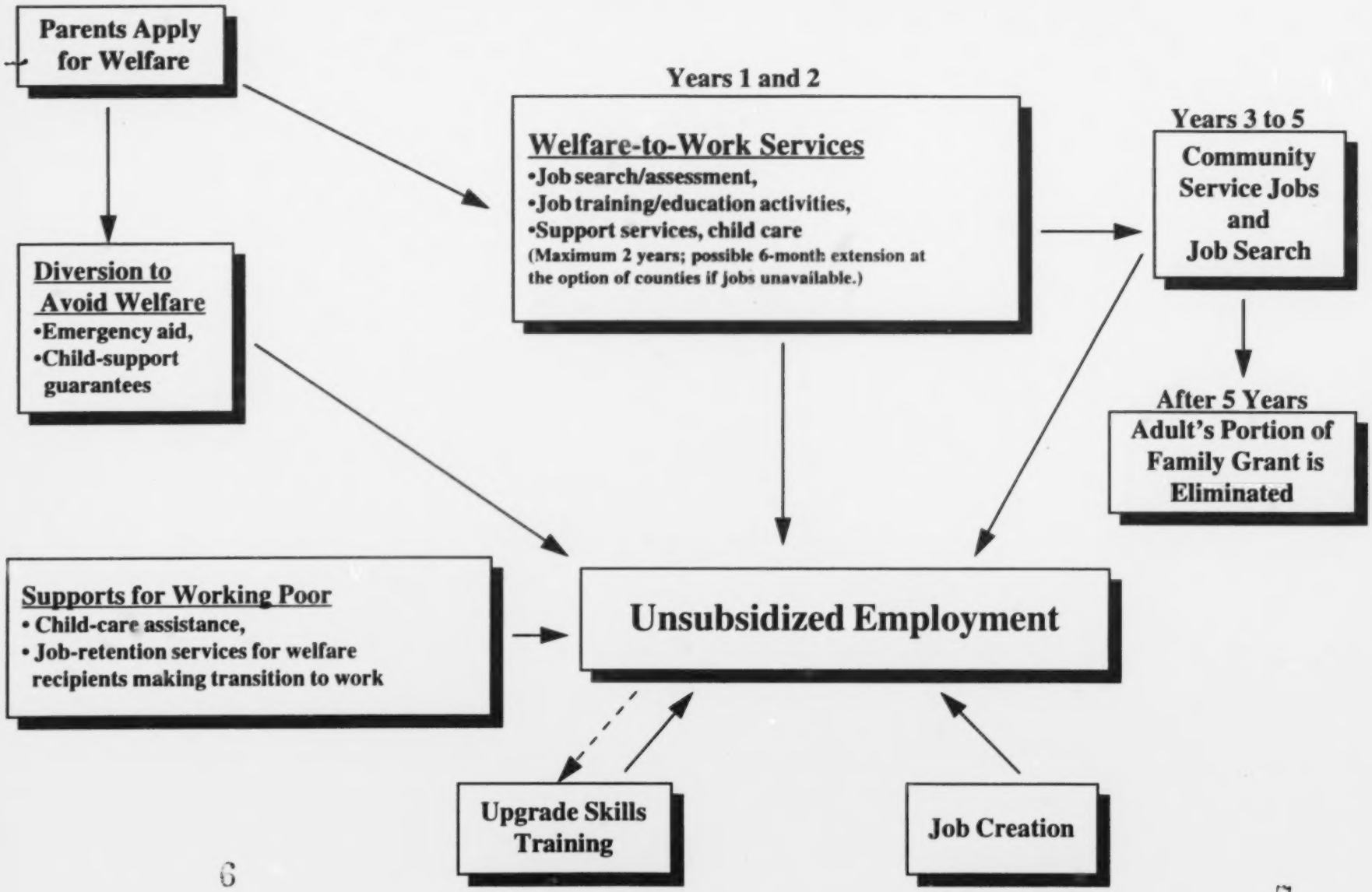
- **Give counties flexibility to design welfare-to-work programs that meet local needs within state guidelines;**

- **Acknowledge that economic factors may affect overall successes;**

- **Do not discriminate against <u>legal</u> immigrants in need of assistance solely because they aren't U.S. citizens.**

CalWORKs

California Work Opportunities and Responsibility to Kids


Parents Apply for Welfare
Years 1 and 2
Welfare-to-Work Services
•Job search/assessment,
•Job training/education activities,
•Support services, child care
(Maximum 2 years; possible 6-month extension at the option of counties if jobs unavailable.)
Years 3 to 5
Community Service Jobs and Job Search
Diversion to Avoid Welfare
•Emergency aid,
•Child-support guarantees
After 5 Years
Adult's Portion of Family Grant is Eliminated
Supports for Working Poor
• Child-care assistance,
• Job-retention services for welfare recipients making transition to work
Unsubsidized Employment
Upgrade Skills Training
Job Creation

How It Works

The CalWORKs Strategy to Move California Parents From Welfare to Work

California Work Opportunities and Responsibility to Kids (CalWORKs) creates a series of steps that will move welfare parents into the workplace -- or prevent needy families from going onto welfare in the first place. At each step, many thousands of Californians will receive the help they need to find and keep jobs.

From day one, those who seek welfare also must seek work. There will be limited exceptions, including parents with infants. Welfare recipients must work or engage in work-related activities such as job training and education for at least 20 hours per week as long as they get aid. In two-parent families, the requirements will be at least 35 hours per week.

After two years, those who have not found work must, as a last resort, take a community service job. Their welfare grants, in effect, will be converted to wages. But they must continue to look for regular work. Those who don't cooperate will lose aid.

Adults will face a new lifetime limit of five years on public assistance. After that time, an adult will not receive aid. Counties may opt to pay the child's portion of the grant in cash or vouchers.

Background

The federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 eliminated an entitlement to family welfare, previously known as Aid to Families with Dependent Children (AFDC). It imposes work requirements and time limits on welfare, and renames the program Temporary Assistance for Needy Families (TANF). The law provides funding to states in block grants rather than in matching funds based on caseload.

Ever-larger percentages of a state's welfare caseload must be engaged in work or some work-related activity if the state is to avoid federal financial penalties. By the year 2002, 50 percent of all families who receive aid must have an adult performing work activities at least 30 hours per week. And *90 percent* of two-parent families will have to have an adult participating at least 35 hours weekly. (See chart below.)

Percentage of Welfare Families Who Must Have an Adult Engaged in Work Activities, and Number of Hours Required[1]

Fiscal Year	Participation Rate (All Families)	Hours of Work Required	Participation Rate (Two-Parent Families)	Hours of Work Required	Potential Fund Loss to California for Failure to Comply (in Millions)
1997	25%	20	75%	35	$-186.5
1998	30	20	75	35	-261.1
1999	35	25	90	35	-335.7
2000	40	30	90	35	-410.3
2001	45	30	90	35	-484.9
2002	50	30	90	35	-559.5

The federal law sets a lifetime limit of five years on federal aid for adults, but states can exempt up to 20 percent of their caseload for hardship.

About 2.5 million Californians, including 1.7 million children, receive family welfare benefits. The average case includes a mother, age 30, with two children under age 8.

[1] From Welfare to Work: A Briefing Paper on Welfare-to-Work Aspects of the New Federal Welfare Reform Law, Prepared for Senate President pro Tempore Bill Lockyer by staff of the California State Senate, December 4, 1996, p. 2. Available from Senate Publications, 916-327-2155, Senate Publication No. 887-S.

The CalWORKs Steps

Step 1: Moving Welfare Applicants into Jobs to Avoid Welfare

Potential welfare families will be given access to a series of "diversion" programs designed to prevent as many welfare applicants as possible from going onto the welfare rolls. These programs include:

- Job-placement services provided by the California Employment Development Department and community-based organizations.
- Subsidized child care.
- Assistance from county district attorney's offices or other local agencies in enforcing court orders requiring non-custodial parents to pay child support to custodial parents.
- Child-Support Assurance, a new program modeled upon a cost-effective New York effort to guarantee parents who have jobs and child-support orders that they will receive child-support payments to avoid welfare.
- One-time financial assistance to resolve family crises that interfere with working.

Step 2: Welfare-to-Work Services

Parents who cannot be diverted from welfare will be assisted in acquiring and using job-search skills, and will be assessed for any special needs. They will receive help with obtaining the child care and transportation necessary to find and hold jobs. Recipients, with limited exceptions that include parents with infants, must engage in work-related activities as long as they are receiving welfare. Those enrolled in educational and vocational programs that lead to employment can receive welfare grants for up to 30 months, but others will be limited to two years.

Step 3: Child Care

Welfare parents who meet the requirements for work-related activities will be assured child care. Welfare recipients who are transitioning into work and the working poor will have similar choices for child-care placement. All

state child-care programs for the first time will be identically financed -- making the system more equitable and easier for providers and parents alike.

Step 4: Creating Jobs

Local collaboratives will be established throughout the state to link local governments and the private sector in addressing the task of creating 500,000 new jobs for welfare recipients. A Job Creation Investment Fund will finance local job-creation efforts in the counties. Community colleges and adult education programs will train local employees to meet specific employers' needs in exchange for the employers' willingness to assist welfare recipients in going to work. Another program will train welfare recipients to work at companies that wish to hire them. Willing welfare recipients can become child-care providers to help fill needs created by the CalWORKs program itself.

Step 5: Staying Employed

CalWORKs recipients who move into jobs can receive services to help them keep working. These include child care, transitional Medi-Cal coverage, help with enforcing child-support orders, and case management services between employers and employees.

Step 6: Community Service Work

After two years, as a last resort, recipients who have unsuccessfully sought work will have their grants converted to wages for performing community service jobs while their search for regular work continues. Local community service plans will be developed with assistance from private employers to benefit communities and provide marketable skills for workers. This work can address long-neglected needs, such as improving park and playground maintenance, or removing graffiti, while giving CalWORKs recipients real work that can lead to regular jobs in the future. Protections will be provided to insure these jobs do not displace employed persons. Grant benefits will be eliminated for parents who do not cooperate.

Step 7: Termination

A CalWORKs adult recipient may not receive more than five years of assistance during the course of his or her life. Once that limit is reached, a family's welfare grant will be reduced by the amount of aid the adult would have received. Counties will no longer be required to provide welfare-to-work services to the adult, and may pay the remainder of the family's grant in either cash or vouchers.

The CalWORKs Job Creation Package

CalWORKs is dedicated to moving able parents with children from welfare to work in an effective, timely and enduring way. Statewide, California needs 500,000 new jobs within five years .

The most reliable statistics predict that California's expected rate of economic growth, even in these relatively good times, is not sufficient to meet the job needs of these 500,000 welfare parents without displacing current employees.

Even though California functions within a global economy, economic development and job growth are largely local in character, by region and industry clusters, and even by counties, and the-state must plan accordingly.

Principles Guiding the CalWORKs Job-Creation Strategy

- It becomes an all-California civic responsibility to participate in enabling parents on welfare to move to work.
- Welfare-to-work efforts must <u>not</u> displace existing working-poor Californians and push their families onto welfare.
- Success in moving 500,000 more Californians into jobs requires enhancing California's overall economic development.
- CalWORKs makes every effort to develop jobs in the private sector.
- Community service employment will be used only as a last resort.
- All community service work will be genuine work designed to meet needs articulated by the public itself and will improve the likelihood that participants will move into real employment.

BEST COPY AVAILABLE

Components of Job Creation

Training welfare recipients to hold jobs will not be enough to put hundreds of thousands of welfare recipients to work -- new jobs also must be created to absorb this many potential workers. The following are elements of CalWORKs' job-creation strategy:

Move Welfare Applicants into Jobs Before They Enter the System

- Target expansion of the state Employment Development Department's one-stop career centers to high-welfare areas.

Improve the Identification of Available Jobs

- Direct the Employment Development Department (EDD) to localize its labor market information to facilitate planning for local economic development and job creation.

- Direct EDD to survey employers and modernize its job-listing service on an Internet-based CalJOBS system to assure maximum use by welfare recipients and their prospective employers.

Stimulate the Economy for Local Job Growth

- Insure that counties convene all local stake-holders in welfare reform and economic development to form comprehensive, locally based action plans for job creation.

- Establish five voluntary pilots for job-creation collaboratives involving public and private entities using existing job-training and education funds.

- Establish a job-creation fund to invest in start-up businesses in each county. This will provide seed money to help communities begin creating jobs.

- Finance a $50 million-per-year state infrastructure bank to make loans needed for local economic development.

- Establish a system to direct California's investment funds into small business expansion and capital investments geared to economic growth and job creation.

Upgrade Skills of Current Workers to Free Up Entry-Level Jobs

- Require the state's Employment Training Panel to set aside $20 million in training funds to assist businesses who hire welfare recipients. This funding will provide training for new workers in skills they need. It also will be available to employers to upgrade the training of current employees, allowing them to move up. This will create vacancies in entry-level positions that welfare recipients can fill.

- Expand community college efforts to contract with private employers to upgrade the job skills of current employees, allowing welfare recipients to fill positions freed up by these promotions.

Train and Hire Welfare Recipients to Help Carry Out CalWORKs

- Assure that adult education, regional occupational programs, and community colleges provide welfare recipients with training to become child-care aides, teachers, directors and family day-care providers to fill needs created by welfare-to-work efforts.

Offer Community Service Employment as a Last Resort

- Establish a community service employment program for those who have spent two years on welfare without finding work, provided they continue their search for regular jobs. Community service assignments will be based on local plans designed with private employers to assure these work experiences can lead to regular jobs.

Launch a California Campaign to Enlist Employers and Monitor Results

- Create a statewide job-creation clearinghouse in EDD to provide information and assistance to employers who wish to hire welfare recipients.

- Create an advisory group of former CEOs to market the hiring of welfare recipients to private employers, large and small, around the state.

- Enlist civic leadership throughout California to promote a wide-scale commitment to helping communities and welfare recipients achieve welfare-to-work goals.

Job Growth Needed, by County, For Welfare-to Work Goals

Local Labor Market Environment					Welfare-to-Work		
County	Total # of Existing Jobs	Current Rate of Unemployment	1994-96 Job Growth	1994-96 Annual Job Growth %	Total AFDC Adults	New Jobs Needed (Up to...)	Job Growth Needed for Welfare
Alameda	663,400	4.3%	38,200	2.2%	31,026	30,000	5%
Alpine	710	5.8%	120	7.4%	33	30	4%
Amador	12,380	6.5%	720	3.8%	361	300	2%
Butte	75,800	9.5%	2,600	2.0%	7,317	5,000	7%
Calaveras	12,770	9.6%	100	0.7%	825	700	5%
Colusa	6,240	24.6%	570	4.1%	318	250	4%
Contra Costa	444,000	4.2%	9,000	1.6%	14,026	12,500	3%
Del Norte	9,350	11.0%	530	3.6%	1,185	1,900	10%
El Dorado	70,800	5.9%	1,600	2.5%	1,994	1,750	3%
Fresno	302,100	15.9%	20,600	3.5%	30,804	25,000	8%
Glenn	9,540	14.4%	270	1.8%	712	500	5%
Humboldt	57,700	7.6%	2,700	2.9%	3,770	3,000	5%
Imperial	41,800	22.2%	- 100	- 0.1%	7,290	5,500	1%
Inyo	6,800	8.2%	570	4.1%	420	400	6%
Kern	244,300	14.0%	17,900	4.2%	21,461	18,000	7%
Kings	35,300	15.6%	2,640	4.0%	3,452	3,000	9%
Lake	20,850	11.8%	480	2.0%	2,369	200	0.01%
Lassen	10,590	12.7%	840	4.7%	872	625	6%
Los Angeles	4,117,900	7.1%	99,200	1.3%	250,026	216,000	5%
Madera	40,950	17.2%	4,100	6.8%	3,378	2,800	7%
Marin	129,700	2.7%	3,700	1.4%	1,310	1,000	1%
Mariposa	5,490	14.7%	310	3.1%	392	335	6%
Mendocino	38,280	9.6%	2,600	4.5%	2,597	2,250	6%
Merced	67,600	18.9%	- 200	- 0.2%	10,298	8,000	12%
Modoc	3,520	13.9%	50	0.9%	397	300	9%
Mono	6,050	6.8%	110	1.0%	88	75	1%
Monterey	155,100	15.1%	6,900	2.4%	6,467	5,500	4%
Napa	54,600	5.2%	n/a	n/a	1,202	1,100	2%
Nevada	38,220	6.6%	630	1.4%	953	850	2%
Orange	1,318,000	3.2%	57,200	2.5%	34,568	27,500	2%
Placer	100,700	5.0%	8,700	5.9%	2,612	2,250	2%
Plumas	8,360	15.2%	370	1.8%	408	350	4%
Riverside	589,200	6.8%	14,800	2.2%	31,370	30,000	5%
Sacramento	525,600	5.4%	24,300	2.1%	46,592	39,000	7%
San Benito	21,390	14.5%	1,400	5.9%	953	800	4%
San Bernardino	669,900	6.1%	30,000	3.4%	55,397	50,000	7%
San Diego	1,193,300	4.3%	44,000	2.3%	56,266	48,000	4%
San Francisco	395,400	3.7%	22,700	2.2%	10,869	9,000	2%
San Joaquin	211,900	11.9%	6,200	1.8%	19,358	16,000	8%
San Luis Obispo	99,000	4.9%	5,900	3.7%	3,212	3,000	3%
San Mateo	375,300	2.7%	21,000	3.5%	3,834	3,500	1%
Santa Barbara	181,600	5.8%	3,700	1.2%	5,726	7,500	4%
Santa Clara	894,100	3.1%	79,000	4.8%	23,887	20,000	2%
Santa Cruz	127,000	10.1%	3,700	1.9%	3,253	3,000	2%
Shasta	65,900	10.2%	1,900	1.8%	6,236	5,000	8%
Sierra	1,480	15.0%	20	1.0%	55	50	3%
Siskiyou	15,880	14.6%	320	1.2%	1,645	1,400	9%
Solano	162,300	6.8%	n/a	n/a	8,042	7,200	4%
Sonoma	225,700	4.0%	10,600	3.4%	5,548	5,000	2%
Stanislaus	165,300	15.1%	8,800	3.2%	13,723	12,000	7%
Sutter	27,900	19.6%	n/a	n/a	1,649	1,500	5%
Tehama	20,610	10.6%	710	2.6%	1,744	1,500	7%
Trinity	4,410	16.5%	20	0.3%	395	350	8%
Tulare	128,600	17.9%	2,800	1.3%	15,449	12,000	9%
Tuolumne	17,210	10.1%	- 700	- 2.4%	1,173	1,000	6%
Ventura	364,100	5.6%	6,300	1.3%	8,566	7,500	2%
Yolo	80,000	7.0%	2,800	1.8%	4,152	3,000	4%
Yuba	17,500	14.6%	n/a	n/a	2,899	2,300	13%

Source: Senate Select Committee on Economic Development

BEST COPY AVAILABLE

Selected CalWORKs Issues

Issue	Current Law	Governor's Proposal--CalTAP	Conference Committee--CalWORKs
Time Limits	There are no time limits on family welfare assistance.	Adults may not receive aid longer than 60 cumulative months. Current recipients are limited to aid for 24 months in a 36-month period. New applicants are limited to aid for 12 months in a 24 month period.	Adults may not receive aid longer than 60 cumulative months. Recipients must find work within 24 months (30 months in counties with high unemployment rates). Recipients who do not find work after 24 months participate in community service employment at least 20 hours per week plus spend up to 10 hours weekly in intensive job search.
Work Requirements	If a county has sufficient funding for Greater Avenues for Independence (GAIN), the current welfare-to-work program, parents must participate in GAIN or lose their part of the family welfare grant. Funding is limited, so work requirements now apply to 20% to 30% of mandatory GAIN participants. For those required to participate in GAIN, the work requirement is 20 hours per week. Recipients who have	Single parents must work 32 hours per week and one adult in a two-parent family must work 35 hours per week.	CalWORKs will be funded, so all recipients who are not exempted must participate. Single parents must participate in at least 20 hours of work activities per week. Counties have an option to extend the requirement to 32 hours. Two-parent families will be required to participate in 35 hours of work activities per week but both parents can contribute to the 35 hours. Minimum hours of work activity increase yearly consistent with the requirements of federal law.

Issue	Current Law	Governor's Proposal	Conference Committee
	participated in GAIN and have been on aid for 24 months must do 100 hours of community service per month.		
Exemptions from Time Limits on Welfare	There are no time limits on family welfare in current law. About 32% of the caseload has been on aid longer than a cumulative total of five years.	Exemptions from one- or two-year limits: • Parents and caretakers over age 60; • Parents on State Disability Insurance (SDI) or Supplemental Security Income (SSI) benefits, or caretakers of disabled members of an immediate family; • Non-aided caretaker relatives.	Exemptions permitted under federal law to time limits will account for up to 20 percent of the caseload: • Parents and caretakers over age 50; • Disabled, ill or incapacitated parents, or caretakers of disabled children; • Non-needy caretaker relatives.
Exemptions to Work Requirements	Exemptions from GAIN: • Parents with children under age 3; • Parents with children under age 13 when child care is unavailable; • Pregnant women in the 2nd and 3rd trimester; • Cal-Learn participants; • Disabled parents or caretakers of disabled children; • Non-needy caretaker relatives; • Parents participating in	Exemptions from work requirements: • Single parents with a child under 12 weeks old; • Severely disabled parents; • Parents with a severely disabled child; • Individuals 60 years of age and older; • Participants in Cal-Learn, a program aimed at keeping teen parents in school; • All non-needy caretaker relatives.	Exemptions from work requirements: • Parents with infants; • Parents with children aged 10 and under, if no child care is available; • Domestic violence victims; • Pregnant women in the 3rd trimester; • Participants in Cal-Learn; • All non-needy caretaker relatives; • Students attending classes for up to 30 months; • Other good causes.

Issue	Current Law	Governor's Proposal	Conference Committee
	approved work-related activities 100 or more hours per month and seeking work; • Students in a degree program; • Families in remote locations; • Other good causes.		
Assistance to Prevent Applicants from Going onto Welfare	Access to GAIN, Medi-Cal and child-care services are permitted for welfare applicants.	CalTAP plan does not address this issue.	CalWORKs allows cash or voucher payments up to the value of three months of aid to prevent a need for assistance. Applicants will have access to Medi-Cal and child care. A new program, Child-Support Assurance, will guarantee low-income working parents who have child-support orders that they will receive child-support payments as a hedge against going onto welfare.
Job Search	Three weeks of intensive job search is required after an appraisal of recipients in the GAIN program. If the job search is unsuccessful, assessments are conducted to develop education and training plans for recipients.	Recipients will attend a 20-day job search/job club. Those not working sufficient hours after the job search will receive a work screening and be assigned to General Equivalency Diploma (GED) classes, vocational training, work experience, or a combination.	After initial appraisal, recipients will participate in up to 3 months of job search/job club activities. If recipients are unable to find work after three months, they will receive assessments and develop written employment contracts with counties that specify required work, training, education and supportive services.

Issue	Current Law	Governor's Proposal	Conference Committee
Allowable Work-Related Activities	• Unsubsidized work, • Work experience, • On-the-job training, • Microenterprise (at-home business ownership) training, • Adult basic education, • GED classes, • English as a Second Language (ESL) classes, • Community college, • Vocational training.	• Unsubsidized employment, • GED classes, • Vocational training, • Work experience (includes community service).	• Unsubsidized employment, • On-the-job training, • Community service, • Microenterprise training, • Vocational training (including GED, ESL, community college, and adult education), • Work experience, • Work study, • Grant diversion, • Treatment for mental health or for drug and alcohol abuse, and domestic violence counseling (typically concurrent with other training or work).
Community Services Employment	Transitional employment projects with public and private-sector employers are permitted in GAIN.	Recipients will be required to supplement work with community service if working fewer than 32 hours per week in the case of a single parent or 35 hours per week in the case of a married parent.	Recipients will be required to work in community service jobs for wages paid from their grant if they are on aid longer than 24 months. Community service workers are eligible for the federal earned-income tax credit.

Issue	Current Law	Governor's Proposal	Conference Committee
Job Creation	Microenterprise training. The California Infrastructure Bank to promote economic growth and job creation was established without state funding.	Invests $15 million in the formation of Economic Development Regional Centers to focus on work force training needs. Provides $50 million to capitalize the California Infrastructure Bank. Allocates $20 million to the Employment Training Panel to expand training for welfare recipients. Provides $10 million to the California Community Colleges to offer special services to TANF recipients.	CalWORKs invests $5 million per year in a microenterprise program to enable welfare recipients to become self-employed. Establishes a $25 million-per-year Job Creation Investment Fund to finance job creation efforts in each county. Provides $50 million per year to the California Infrastructure Bank to help finance infrastructure improvement for economic development. Creates a system to direct California's investment funds to economic growth and job creation. Directs the Employment Training Panel to allocate $20 million in training funds to help businesses hire welfare recipients. Provides $40 million to community colleges to provide contract education for employers to upgrade job skills of current employees so welfare recipients can have access to entry-level employment.
Grant Levels	Cost of living adjustment (COLA) due to be reinstated in fall, 1997.	COLA suspension continued. Grants are cut 15% after six months on aid.	COLA suspension continued.

Issue	Current Law	Governor's Proposal	Conference Committee
Assistance after Employment	Transitional child care and Medi-Cal coverage are provided.	Transitional child care and Medi-Cal coverage provided.	Transitional child care and Medi-Cal coverage provided. County welfare departments will be permitted to provide job-retention services to former recipients for up to 12 months if the services are not available through employers.
Child Care	Child care is provided for children up to age 13 for GAIN participants if funds are available. There are no provisions for direct transition from GAIN child care to other subsidized care. Working persons on aid are reimbursed for child care expenses up to $200/month for infants and up to $175/-month for a child older than 2 years. After leaving aid for em-ployment, former recipients are eligible for free child care for 2 years, but this process is hard to access. No training is available for providers, such as relatives, who are exempt from state licensure.	Child care available in all CalTAP components. Eliminates enhancements to the monthly benefit grant to pay for child care (child care disregard) and substitutes a direct payment from the county to the child care provider.	Child care will be available in all CalWORKs components. A system of child care will be available beginning with a client's entry into CalWORKs until a family's income reaches 75 percent of the state median. There will be no break in child-care services for low-income working families. Direct state payments will be made to providers. A sliding fee schedule will be charged for all parents in all programs. Training activities will be available to all child-care providers including those exempt from state licensure.

Issue	Current Law	Governor's Proposal	Conference Committee
Child Support	Recipients work primarily with county welfare departments, if necessary, to collect child support. The first $50 in collected child support is disregarded in determining a recipients' welfare grant level.	Beginning January 1, 1998, all children in a family must have paternity established in order for the custodial parent to be included in the grant. All child support collected is treated as unearned income, reducing the grant amount dollar for dollar.	Local district attorneys and county welfare departments will increase teamwork through co-location of workers where feasible. DAs will determine if a client is cooperating. The first $75 of collected child support is paid directly to families on aid and is disregarded in calculating the grant level. A new program, Child-Support Assurance, will guarantee low-income parents who have jobs and child-support orders that they will receive child-support payments as a hedge against going onto welfare.
Mental Health	Recipients with mental health treatment needs usually have been deferred from GAIN and other work and training requirements, and have limited access to treatment services. Public funds for the treatment of less seriously mentally ill adults are limited and no funds are specifically earmarked for the mental health needs of GAIN participants.	All aided adults are eligible for mental health services. No budget augmentation in 1997-98.	Employment plans will be developed for recipients needing mental health services, recognizing that many are employable and that work can contribute to wellness. Counties will be provided $20 million for mental health services needed as part of recipients' welfare-to-work plans.

Issue	Current Law	Governor's Proposal	Conference Committee
Domestic Violence	GAIN participants can receive deferrals from work requirements for severe family crises.	No deferral from work requirements for victims of domestic violence.	Domestic violence victims will be deferred from work/training requirements and time limits if working endangers parents or children. The state will pay for benefits for legal immigrants who are victims of domestic abuse and are, or were, married to permanent residents or U.S. citizens.
Food Stamps to Immigrants	Up to 350,000 California legal immigrants will lose federal food stamps beginning September 12, 1997.	No provisions for food stamps for legal immigrants.	The state will purchase federal food stamps for distribution to legal immigrants to replace these lost benefits.
General Assistance (GA)	Counties pay 100 percent of GA costs. These costs could rise because of federal changes in welfare and immigration policies. GA benefits vary from county to county.	Counties can eliminate GA, except for emergency medical services.	The state will assume up to 30 percent of the cost of General Assistance grants and 85 percent of the costs of GA administration for participating counties. A standard grant structure will be established for participating counties. Counties' costs for GA will be capped at the 1996-97 level.

Issue	Current Law	Governor's Proposal	Conference Committee
County Finances	Counties' GAIN funding varies disproportionately, depending on the year a county's GAIN program began. Counties are required to maintain separate funds for GAIN and other administrative functions.	Proposes block grants to counties for administrative functions.	County funding for welfare-to-work services will be largely equalized across the state. Allocations will be consolidated into a single fund for CalWORKs. Counties' share of administrative costs will be capped at the 1996-97 level.

Prepared by the Senate Office of Research

July 7, 1997

BEST COPY AVAILABLE

916-S

Additional copies of this publication may be purchased for $3.25 per copy (includes shipping and handling), **plus current California sales tax.**

Senate Publications
1020 N Street, Room B-53
Sacramento, CA 95814
(916) 327-2155

Make checks payable to SENATE RULES COMMITTEE.
Please include Senate Publication Number 916-S when ordering.